

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3486 - SB 3396

February 4, 2010

SUMMARY OF BILL: Increases the retirement allowance of each retired teacher, wildlife officer, state police officer, firefighter, police officer and general employee, effective January 1, 2011. The extent of any such increase is dependent upon the individual's date of retirement.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,342,200/Annual Amortized Cost

Increase Federal Expenditures - \$153,000/Annual Amortized Cost

Increase Local Expenditures - \$588,700/Annual Amortized Cost*

Assumptions:

- Total lump sum pension liability of \$9,334,500.
- Annual amortization cost assumes a 20-year lump sum liability.
- K-12 teachers reflect a 60 percent – 40 percent ratio between state and local funding.
- Funding ratio for state employee cost is 75 percent state and 25 percent federal.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/rnc

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